

Message Text

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71

ACTION ARA-20

INFO OCT-01 ISO-00 SAB-01 EB-11 COME-00 TRSE-00 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19 IO-14

DRC-01 (ISO) W

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P 132224Z DEC 73

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 9321

C O N F I D E N T I A L PANAMA 6721

E.O. 11652: GDS

TAGS: PN PFOR

SUBJECT: CANAL TOLL INCREASE

SUMMARY. FOREIGN MINISTER GAVE ME TODAY INFORMAL AND VERY CRITICAL COMMENTARY ON PROPOSED TOLL INCREASE. HE SAID COMMENTS WERE FOR MY PERSONAL INFORMATION AND IN INTEREST OF PROMOTING BETTER UNDERSTANDING OF PANAMA'S VIEWS. HE DOES NOT INTEND MAKE ANY PUBLIC STATEMENT BECAUSE THAT WOULD NOT BE HELPFUL TO NEGOTIATING PROCESS BUT GOP DID NOT WANT ITS SILENCE ON SUBJECT TO BE MISUNDERSTOOD. END SUMMARY.

1. KEY POINTS IN MINISTER'S COMMENTARY ARE:

A) THE GOVERNOR'S STATEMENTS HAVE A DIRECT IMPACT ON THE PRESENT CANAL TREATY NEGOTIATIONS AND COULD BE USED BY PANAMA. THE UNILATERAL INJECTION OF THE TOLL ISSUE IN THE NEGOTIATIONS WITHOUT CONSULTATION WITH GOP DID NOT JIBE WITH THE CONCEPT OF "NEW DIALOGUE." CONCEPTUAL PROBLEMS SUCH AS THE ABSENCE OF A DIRECT LINK BETWEEN THE TOLLS AND THE ANNUITY SHOULD BE DEALT WITH IN THE NEGOTIATIONS. THE TYPE OF ATTITUDE IMPLIED IN THE GOVERNOR'S STATEMENT SHOULD CHANGE IF THE NEGOTIATIONS ARE TO BE SUCCESSFUL.

B) PANAMA HAS BEEN EXCLUDED FROM THE DETERMINATION OF POLICIES CONCERNING COSTS AND BENEFITS OF THE CANAL, ALTHOUGH POLICIES

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CONCERNING SALARIES AND EMPLOYMENT ARE OF VITAL IMPORTANCE TO

PANAMA. THE STATEMENTS IGNORE THE PANAMANIAN THESIS ON TOLLS,
WHICH REGARDS OUR POLICY AS PROVIDING A SUBSIDY FOR U.S. COMMERCE.

C) THE ACCOUNTING SYSTEM USED BY THE CANAL COMPANY GIVES RISE
TO SERIOUS DOUBTS ABOUT ITS ACCURACY. GAO AND OTHER U.S.-
SPONSORED STUDIES ARE CITED IN SUPPORT OF PANAMA'S SUSPICIOUS.
IT IS ERRONEOUS TO ATTRIBUTE THE NET LOSS TO INCREASED LABOR
COSTS. SPECIFICALLY TACK CRITICIZED THE DEDUCTION OF THE COSTS
OF THE CANAL ZONE GOVERNMENT AND SERVICES WHICH SHOULD BE PAID
FROM TAXES ON RESIDENTS, NOT TOLLS.

3. COMPLETE TEXT BEING POUCHED DECEMBER 14. GOV. PARKER DEPARTED
FOR U.S. BEFORE I RECEIVED COMMENTARY. PLEASE INFORM HIM
OF IT.
SAYRE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, WAGES, EMPLOYMENT, INTERNATIONAL CANALS, TOLLS, NEGOTIATIONS
Control Number: n/a
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Draft Date: 13 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: GS
Errors: N/A
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ISecure: 1
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US Department of State
EO Systematic Review
30 JUN 2005

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Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CANAL TOLL INCREASE SUMMARY. FOREIGN MINISTER GAVE ME TODAY INFORMAL AND VERY
TAGS: PFOR, PN, PANAMA CANAL
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005